

### **Remarks**

In the Office Action dated May 27, 2003, the Examiner rejected claims 1-18 under 35 U.S.C. § 103 as being unpatentable over the article by DeMartini, et al.

By this Amendment Applicants' Attorney has amended each of the independent claims and each of claims 2 and 11 to more particularly point out and distinctly claim what Applicants regard as their invention. In particular, each of the independent claims has been amended to make it clear that calculating the interim winning price for each bundle in the interim allocation is based on a k-bundle price algorithm which ensures that the bidders can determine whether they are winning the auction from the interim winning prices. Clearly, this feature is neither taught, disclosed, nor discussed by any of the references of record, including the article to DeMartini, et al.

The DeMartini article is discussed on pages 5 and 6 of the specification. In particular, Resource Allocation Design (i.e., RAD) of DeMartini, et al. has numerous drawbacks, including the fact that the computed prices are not guaranteed to be separating prices. This makes it difficult for bidders to determine whether they are winning the auction. The Examiner's attention is directed to section 3.2 of the DeMartini, et al. paper wherein the authors state that at some prices there may be some losing bids from which prices less than the bid thereby falsely signaling a possible winner.

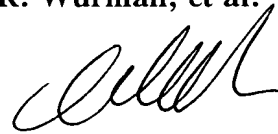
This is to be contrasted with now amended claims 1 and 10 wherein interim winning prices for each bundle in the interim allocation are calculated based on a k-bundle price algorithm which insures that the bidders can determine whether they are winning the auction from the interim winning prices.

Consequently, in view of the above and in the absence of better art Applicants' Attorney respectfully submits the application is in condition for allowance which allowance is respectfully requested.

Respectfully submitted,

**Peter R. Wurman, et al.**

By



David R. Syrowik

Reg. No. 27,956

Attorney/Agent for Applicant

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**BROOKS KUSHMAN P.C.**  
1000 Town Center, 22nd Floor  
Southfield, MI 48075-1238  
Phone: 248-358-4400  
Fax: 248-358-3351

*Tom Sawyer*